

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, NOVEMBER 10, 2015– SUBJECT TO REVIEW AND APPROVAL
FINAL VERSION OF THESE MINUTES WILL BE POSTED AFTER APPROVAL OF THE INVESTMENT
ADVISORY COUNCIL AT THE NEXT MONTHLY MEETING, WHICH WILL BE HELD ON
WEDNESDAY, DECEMBER 9, 2015**

MEETING NO. 427

Members present:

Janice (Jan) Carpenter
Thomas Fiore, representing Benjamin Barnes
Laurence Hale
Joshua Hall
David (Duke) Himmelreich
Michael Kramer
William Murray
Denise L. Nappier, Treasurer*
Carol Thomas, Interim Chair
Peter Thor

Absent:

Steven Muench

Others present:

Richard Gray, Deputy Treasurer
Deborah Spalding, Chief Investment Officer
David Barrett, Director of Communications
Joanne Dombrosky, Principal Investment Officer
Mary Phil Guinan, Assistant Treasurer-Policy
Linda Hershman, Chief of Staff
Wayne Hypolite, Executive Assistant
Catherine E. LaMarr, General Counsel
Christina McGinnis, Executive Secretary
Christine Shaw, Chief Compliance Officer
Linda Tudan, Executive Assistant

Guests:

Brian Anderson, Council 4 AFSCME
MariLu Cleary, Morgan Stanley
Mark Johnson, Cliffwater LLC
Robin Kaplan-Cho, Connecticut Education Association
Keith Phaneuf, CT Mirror
Claire Shaugnessy, AonHewitt Investment Consulting

*Arrival 9:18am

With a quorum present, Interim Chair Carol Thomas called the Investment Advisory Council (“IAC”) meeting to order at 9:00a.m.

Approval of Minutes of the September 9, 2015 IAC Meeting

Chair Thomas called for a motion to approve the minutes of the September 9, 2015 IAC meeting.

Peter Thor moved to approve the minutes of the September 9, 2015 IAC meeting as drafted. The motion was seconded by William Murray. There was one abstention, Laurence Hale. There being no further discussion, the Chair called for the vote. The motion passed unanimously.

Comments by the Treasurer

Treasurer Denise L. Nappier began her opening remarks by welcoming new IAC member, Michael Kramer, and also introduced Mary Phil Guinan, recently appointed to the Office of the State Treasurer as Assistant Treasurer for Policy.

Treasurer Nappier then discussed Governor Malloy's proposal to overhaul the state pension system. She credited the Governor's efforts to shore up the underfunded pension plans and enumerated her questions and concerns regarding the proposal.

Next, Treasurer Nappier discussed the agenda, and then announced that after having considered feedback from the IAC and the due diligence process conducted by the investment staff and the Real Estate Fund consultant, The Townsend Group, she had decided to proceed with a commitment of up to \$100 million to Crow Holdings Realty Partners VII, L.P., a value-add real estate investment opportunity. She added that the commitment was contingent upon successful negotiation of the partnership documents.

Finally, Treasurer Nappier discussed the investment performance as of September 30, 2015 for the State Employees' Retirement Fund and the Teachers' Retirement Fund.

Update on the Market, the Connecticut Retirement Plans and Trust Funds Final Performance for Months Ended August 31, 2015 and September 30, 2015

Deborah Spalding, Chief Investment Officer, provided an update on the capital market environment, its impact on the Connecticut Retirement Plans and Trust Funds performance and the economic outlook. Ms. Spalding then reported on the investment performance for the months ended August 31, 2015 and September 30, 2015.

Other Business

Chair Thomas presented the draft IAC Meeting Schedule for the 2016 calendar year. **Mr. Thor moved to accept the IAC Meeting Schedule for the 2016 calendar year. The motion was seconded by Joshua Hall. There being no discussion, the Chair called for the vote. The motion passed unanimously.**

Comments by the Chair

Chair Thomas invited the IAC members to submit agenda items for the December 9, 2015 IAC meeting.

There being no further business, Chair Thomas called for a motion to adjourn the meeting. **Duke Himmelreich moved to adjourn the meeting and the motion was seconded by Mr. Hale. There being no discussion, the meeting was adjourned at 10:16 p.m.**

This meeting was electronically recorded.